

1. The Karnataka Motor Vehicles Taxation on Passenger and Goods) (Amendment) Ordinance No. 5 1974.

as required under clause (2) (a) of article 213 of the Constitution of India.

2. Notification No. GSR 150, dated 14th March 1974.

The Karnataka Housing Board (Amendment) Rules, 1974

Under section 75 of the Karnataka Housing Board Act, 1963.

XI. A. SRI K. H. PATIL.—(On behalf of the Minister for Co-operation I beg to re-lay.

Notification No. DPC 633 CMD 72, dated 14th March 1974.

The Karnataka Agricultural produce Marketing (Regulation) (Amendment) Rules, 1974.

under sub-section (3) of the 146 of the Karnataka Agriculture Produce Marketing (Regulations) Act 1956.

On behalf of Minister for Co-operation I beg to re-lay :

Notification No. DPC II COF 73 (1), dated 14th March 1974.

Bhadra Sahakara Sakkara Karkhane Limited, Davangere taking under Government Control.

Notification No. DPC 41 COF 74 (1), dated 17th June 1974.

Bidar Sahakara Sakkara Karkhane Limited, Bidar taking under Government Control

Under section 130 of the Karnataka Co-operative Societies Act, 1959.

SRI D. DEVARAJ URS (Chief Minister) —Madam Speaker, I beg to lay on the table of this House the report of the Commission of Enquiry together with the Government Memorandum thereon on the enquiry relating to the arrest of Sri Yeliyur Thimmappa of Sandur.

MADAM SPEAKER.—The report is laid

SRI M. Y. GHORPADE (Minister for Finance and Information).—Madam Speaker, I beg to lay on the table of this House the Finance Accounts, 1971-72, the Appropriation Accounts, 1971-72 and Audit Report (Civil and Commercial) for the year 1971-72 of the Government of Karnataka :

as required by Art. 151 (2) of the Constitution of India

MADAM SPEAKER.—The paper is laid.

Statement by the Minister for Finance and Information

re.—Appointment of the pay Commission

MADAM SPEAKER.—The hon. Minister for Finance wanted to make a Statement. Now he can do so.

SRI M. Y. GHORPADE (Minister for Finance) —I beg to make the following Statement on the Appointment of the Pay Commission

While presenting the budget for 1974-75 I had referred to the problem of disparity between the emoluments of Central and State employess, specially after the acceptance of the recommendations of the Third Pay Commission by the Government of India. As I had pointed out at that time, the Sixth Finance Commission took into account the revision of pay and D. A. only upto April, 1973. No explicit provision was made for future revision of emoluments of State employees; presumably it was expected that buoyancy in tax resources would provide sufficient additional resources for the State Governments to meet the cost of revision of the emoluments of their employees. Our experience during the last two years shows that this premise is not correct. We find it increasingly difficult to find resources to step up the emoluments of our employees without erosion of funds for essential developmental programmes. On more than one occasion I have pleaded for a National approach in this regard : unfortunately this has not so far been evolved.

2. Since general pay revision of Government employees in 1970, there have been several revisions in Dearness Allowance. In spite of our financial difficulties, with a view to mitigate the hardship caused to our employees by the rise in prices, we have revised the Dearness Allowance seven times in the last two years which has resulted in an additional commitment of Rs 29.00 crores per annum. It has, therefore become necessary to rationalise the pay structure.

3. Taking all these factors into account, Government have decided to set up a Pay Commission to undertake a comprehensive review of the pay structure of the employees of the State Government, Local Bodies and aided institutions. I am glad to announce that Sri A. Narayana Pai who retired as Chief Justice has kindly agreed to function as a One Man Commission. I am confident that we shall greatly benefit by his distinguished judicial background and vast experience.

4. We shall be issuing formal orders in the next few days setting out the terms of reference of the Pay Commission. At this stage I would indicate broadly the task which we propose to set before the Commission :—

- (a) To review the existing pay structure of the employees of State Government, Local Bodies and Aided Institutions taking into account ;
 - (i) the present economic conditions and financial capacity of the State ;
 - (ii) the need to implement the Fifth Five Year Plan and maintain an adequate tempo of development, including social services, so as to benefit all sections of society to the maximum extent possible ;

- (b) To suggest rationalisation of the Pay structure among the different Departments of Government ;
- (c) To suggest the criteria for fixation of Pay if new scales of pay are evolved ;
- (d) To study the existing structure of the Dearness Allowance, City, Compensatory Allowance, House Rent Allowance, Special Pay, Deputation Allowance, Project Allowance, Foreign Service Allowance and Medical Attendance Benefits, and recommend suitable changes ;
- (e) To study the existing pattern of Pensionary benefits and recommend suitable changes ;
- (f) To suggest incentives for improvement of productivity and efficiency of work of Government employees including provision of amenities ;
- (g) Such other matters as the Commission may deem appropriate

5. Considering the onerous task before the Commission, we feel that it would be inappropriate to lay down a time limit for completion of the work of the Commission. We are sure that the Commission will make its recommendations as expeditiously as possible.

6. Hon'ble Members will agree that the balance has to be struck between the needs of development and the salary structure of the employees. The hardship caused by the rise in prices has to be shared equitably by all sections of the society. I am sure our employees will bear this in mind and respond to the appointment of Pay Commission by working hard for the welfare of the State.

Report of Enquiry relating to arrest of Sri Yeliyur Thimmappa of Sandur, and Memorandum of action taken (contd.)

SRI D. DEVARAJ URS.—With the permission of the Chair, I would like to inform the House that along with the report of the Commission of Enquiry relating to the arrest of Sri Yeliyur Thimmappa of Sandur, I have also placed the Memorandum showing the action taken on the report. This is for kind information.

SRI H. D. DEVE GOWDA.—I think it would be more appropriate if I make my stand clear. The report of the Commission of Enquiry is now before us. We have not yet gone through the contents of the Report. The Memorandum says that the Government has already taken some decision to hold an enquiry departmentally against the concerned Officer, but after we go through the report, if need be, we may have to discuss this report. I want to make it clear that we have not gone through the report.

MADAM SPEAKER —We shall see.